

Message Text

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PAGE 01 TEL AV 09901 040642Z
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
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R 031358Z AUG 78 ZDK CITE UR SVC
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 4631

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E. O. 11652: NA
TAGS: ECON IS
SUBJ: FIRST QUARTER 1978 GNP GROWTH

1. THE CENTRAL BUREAU OF STATISTICS (CBS) HAS RELEASED
PRELIMINARY FIRST QUARTER 1978 STATISTICS ON REAL PER-
CENTAGE CHANGES IN GNP EXPENDITURE. BELOW ARE PERCENTAGE
CHANGE FIGURES FOR THE LAST FIVE QUARTERS OF EXPENDI-
TURE ON GNP (1975 PRICES) SEASONALLY ADJUSTED.

	1977		1978			
	1ST	2ND	3RD	4TH	1ST	
GNP (EXCL. INVEN-					MINUS	MINUS
TORY CHANGE	4.0	1.0	3.0	4.5	1.0	
GNP (INCL. INVEN-					MINUS	MINUS
TORY CHANGE)	0.5	3.5	-0-	12.0	9.5	
PRIVATE CONSUMP-					MINUS	
TION	3.5	3.5	-0-	2.5	2.0	
PUBLIC CONSUMP-					MINUS	MINUS
TION	21.0	19.0	13.0	5.5	13.0	
PUBLIC CONSUMP-						
TION (EXCL. DEFENSE					MINUS	MINUS
IMPORTS)	2.0	1.5	3.0	2.0	1.0	
INVESTMENT IN FIXED					MINUS	MINUS

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ASSETS	2.5	9.5	-0-	3.0	5.5	
EXPORTS OF GOODS &					MINUS	MINUS
SERVICES	2.0	4.0	5.5	11.0	7.0	
IMPORTS OF GOODS &					MINUS	MINUS
SERVICES	10.5	7.5	1.0	2.5	11.0	
IMPORTS (EXCL.					MINUS	MINUS
DEFENSE)	3.0	0.5	8.0	5.0	4.5	

2. COMMENT: A ONE PERCENT DECLINE IN GNP EXCLUDING INVENTORY CHANGES IN THE FIRST QUARTER 1978, COMPARED TO FOURTH QUARTER 1977 ON A SEASONALLY ADJUSTED BASIS, IS NOT REFLECTIVE OF REAL ECONOMIC ACTIVITY IN THE FIRST QUARTER OF 1978. THE NEGATIVE GROWTH RECORDED RESULTS FROM A SHARP JUMP IN IMPORTS (MAINLY DEFENSE AND DIAMOND SPECULATION) AND A REPORTED DECLINE IN EXPORTS. EXPORTS IN REAL TERMS ACCORDING TO CBS STATISTICS DID DROP ABOUT 5 PERCENT FROM THE FOURTH QUARTER 1977 LEVELS, BUT NOT REPEAT NOT ACCORDING TO OUR CALCULATIONS ON A SEASONALLY-ADJUSTED BASIS. WE ESTIMATE THAT EXPORTS IN REAL TERMS WERE DOWN BY ROUGHLY ONE PERCENT BUT, ON A SEASONALLY ADJUSTED BASIS, THERE WAS ACTUALLY A REAL INCREASE. WE STILL BELIEVE THAT GNP FOR 1978 WILL RISE ABOUT 5-6 PERCENT. THE BANK OF ISRAEL, ON 1 AUGUST 1978, ANNOUNCED THAT THEIR REVISED PROJECTION IS 6 PERCENT WITH PRIVATE AND PUBLIC CONSUMPTION BOTH UP 4 PERCENT. LEWIS

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: GNP, ECONOMIC DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 03 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Remarks:
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